

Ref. No.	Names of Parties		Type of Service	Price, Terms, & Conditions*
	Party Providing Service	Party Receiving Service		
6	New England Telephone and Telegraph	BAGNI	Space Sublease	Expired as of September 30, 2000
7	New England Telephone and Telegraph	BAGNI	Space Lease	Expired as of September 30, 2000
<p>* For information on price, terms, and conditions for the agreements, see the Section 272(b)(5) websites:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.callbell.com/regreqs2/index.cfm">www.callbell.com/regreqs2/index.cfm</a> for BACI</li> <li>• <a href="http://www.callbell.com/regreqs2/index.htm">www.callbell.com/regreqs2/index.htm</a> for BABS</li> <li>• <a href="http://www.baglobal.com/regrequirements.html">www.baglobal.com/regrequirements.html</a> for BAGNI</li> </ul>				

Management indicated that the strike dates were August 5, 2000 through August 24, 2000 for the Bell Atlantic South BOCs, and August 5, 2000 through August 22, 2000 for the Bell Atlantic North BOCs.

We noted that three of the five agreements that were no longer in effect as of September 30, 2000 were terminated prematurely during the period from January 3, 2000 through September 30, 2000. The three agreements that were terminated prematurely were for strike related services which were no longer needed after the strike had ended. We noted two agreements for real estate services that expired as of September 30, 2000, for which BAGNI continued to receive the services and make payments to the BOCs. These two real estate services were being provided on a month-to-month basis subsequent to the expiration of the related agreements which management indicated is consistent with common practice for real estate leases. We inquired of management and documented that the BOCs' policy is to provision services to the Section 272 affiliates only with a written agreement.

6. Within a week after September 30, 2000, we viewed the Section 272(b)(5) websites:
- [www.callbell.com/regreqs2/index.cfm](http://www.callbell.com/regreqs2/index.cfm) for BACI,
  - [www.callbell.com/regreqs2/index.htm](http://www.callbell.com/regreqs2/index.htm) for BABS; and
  - [www.baglobal.com/regrequirements.html](http://www.baglobal.com/regrequirements.html) for BAGNI

We also printed the web postings of the contract summaries as of September 30, 2000. We compared the rates, terms and conditions of services on the web postings to the written agreements provided in Objective V/VI, Procedure 5 and noted the following:

- 839 web postings in total (representing 135 written agreements and 51 amendments) of which 459 were posted in 2000 (representing 7 written agreements and 34 amendments);
- Rates, terms and conditions for 535 of the 839 web postings were agreed to the written agreements with no exceptions;
- 44 of the 839 web postings contained multiple errors;  
129 of the 839 web postings contained discrepancies as compared to the written agreements. A list of the 129 web postings is provided in Attachment I, Table No. 2. The 129 web postings represent 11 written agreements and 14 amendments. Management indicated that the discrepancies occurred as a result of administrative errors.
- written agreements related to 96 of the 839 web postings were prepared in the form of Access Service Requests, which did not contain sufficiently detailed information necessary to enable us to agree the specific rates, terms and conditions in the written

agreements to the web postings (representing 96 written agreements). A list of the 96 web postings related to Access Service Requests written agreements is provided in Attachment I, Table No. 3. Management indicated that the Access Service Requests were not sufficiently detailed to meet the Section 272 (b)(5) web postings requirements and the information was provided to the Section 272 affiliates for posting to the web by the BOCs' account executives. Management indicated that the terms and conditions are in accordance with the provisions of FCC and state public utility commission tariffs, and the same terms and conditions are offered by the BOCs to the Section 272 affiliates and IXC's. Management indicated that requests for access service were originally handled on an individual basis using an Access Service Request. Memorandums of Understanding have since been created to include all services not covered under the earlier Access Service Requests. Management indicated that Access Service Requests and Memorandums of Understanding are maintained for similar agreements between the BOCs and Section 272 affiliates in order to comply with the Section 272 (b)(5) requirement that transactions between the BOCs and Section 272 affiliates be reduced to writing and available for inspection;

- four web postings (representing two amendments) related to access services were not posted on the Section 272(b)(5) websites as of January 2, 2001, but were subsequently posted during February 2001. A list of the four web postings is provided in Attachment I, Table No. 4. For three of the four web postings, the original agreements were between Bell Atlantic-New York and the Section 272 affiliates. Management indicated there was an amendment which added an affiliate, which was not a Section 272 affiliate, to the agreements. Management indicated the amendments were originally posted to that affiliates' website and not the Section 272 (b) (5) website since the affiliate added was not a Section 272 affiliate. Management indicated that the fourth web posting between BABS and Bell Atlantic-Maryland was inadvertently excluded from the website.

We inquired of management and documented the procedures the Section 272 affiliates have in place for posting affiliate transactions on a timely basis. Management indicated that the Section 272 affiliates have the following procedures in place for posting transactions on the web on a timely basis:

- Section 272 affiliate lead negotiator prepares the web transactional page which describes the transaction.
- Section 272 affiliate contract administrator verifies the web transactional page was posted to coordinate distribution of posting material.
- the web transactional page is posted by the Section 272 affiliate.
- to ensure process compliance and timely posting, the web transaction pages are reviewed by the Section 272 affiliate contract administrator to ensure that no web transaction pages are missing. In instances where web transactional pages are missing, the Section 272 affiliate contract administrator notifies the lead negotiator, web posting employee, and the Affiliate Legal and Federal Regulatory team.

We compared the transaction date to the posting date for the 839 web postings referred to above and noted that 51 web postings (which represent seven amendments) of the 459 contract summaries posted in 2000 were not posted on the Section 272(b)(5) websites within the required 10 calendar days. Of the 51 web postings, 37 web postings were posted within five days after the required posting date. Nine web postings were posted within six to 10 days after the required posting date, and five web postings were posted more than 10 days after the required posting date. A list of the 51 web postings is provided in Attachment I, Table No. 5. Management indicated that the web postings were not posted within the

required period as the result of an administrative error. 408 of the 459 web postings posted in 2000 were posted within the required 10 calendar days.

We inspected and noted that 68 web postings (which represent 22 written agreements and six amendments) of the 839 web postings did not contain some of the required disclosures necessary for posting. A list of the 68 web postings is provided in Attachment I, Table No. 6. Management indicated that the omissions of data occurred as a result of an administrative error.

We selected a random sample of 85 web postings to determine whether the same information was made available for public inspection at the principal place of business of the BOCs at three judgmentally selected BOCs' locations. We noted that four web postings and their related agreements and Officer Certification Statements were not made available for public inspection when we visited the principal place of business of one of the BOCs. Detailed information concerning these four web postings has been provided in the table below:

**Table No. 7**

Ref. No.	Parties		Agreement*
	Provided By	Provided To	
1	BACI	Bell Atlantic-Maine	Emergency Work Stoppage Agreement
2	BAGNI	Bell Atlantic-Massachusetts	Emergency Work Stoppage Agreement
3	BAGNI	Bell Atlantic-Vermont	Emergency Work Stoppage Agreement
4	BA-New York	BACI	Amendment No. 10 to Marketing and Sales Agreement
* For information on price, terms, and conditions for the agreements, see the Section 272(b)(5) websites: <ul style="list-style-type: none"> <li>• <a href="http://www.callbell.com/regreqs2/index.cfm">www.callbell.com/regreqs2/index.cfm</a> for BACI</li> <li>• <a href="http://www.callbell.com/regreqs2/index.htm">www.callbell.com/regreqs2/index.htm</a> for BABS</li> <li>• <a href="http://www.baglobal.com/regrequirements.html">www.baglobal.com/regrequirements.html</a> for BAGNI</li> </ul>			

At two of the BOCs' locations, we noted that tariff pages for six agreements (three at each location) were not made available for public inspection. Detailed information concerning these six web postings has been provided in the table below:

**Table No. 8**

Ref. No.	Parties		Agreement*
	Provided By	Provided To	
1	Bell Atlantic-New England	BABS	Service Agreement (for data exchange and database access services)
2	Bell Atlantic-New England	BABS	Service Agreement (for data exchange and database access services), Amendment No. 1
3	Bell Atlantic-New England	BACI	Service Agreement (for data exchange and database access services), Amendment No. 1
4	Bell Atlantic-Pennsylvania	BABS	Service Agreement (for data exchange and database access services), Amendment No. 1

Ref. No.	Parties		Agreement*
	Provided By	Provided To	
5	Bell Atlantic-Pennsylvania	BACI	Service Agreement (for data exchange and database access services), Amendment No. 1
6	Bell Atlantic-Pennsylvania	BACI	Local Exchange – Centrex Services, Amendment No. 2
<p>* For information on price, terms, and conditions for the agreements, see the Section 272(b)(5) websites:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.callbell.com/regreqs2/index.cfm">www.callbell.com/regreqs2/index.cfm</a> for BACI</li> <li>• <a href="http://www.callbell.com/regreqs2/index.htm">www.callbell.com/regreqs2/index.htm</a> for BABS</li> <li>• <a href="http://www.baglobal.com/regrequirements.html">www.baglobal.com/regrequirements.html</a> for BAGNI</li> </ul>			

Management indicated that the tariff pages were inadvertently excluded from the agreements made available for public inspection. The Company made no claims of confidentiality for nondisclosure.

7. For nontariffed services and for services for which a prevailing market price (“PMP”) has not been established, or which are not subject to agreements filed with a public service commission, we inquired of management and documented the BOCs’ and the Section 272 affiliates’ process for developing fully distributed cost (“FDC”). Management indicated that the entity providing the service is responsible for gathering most of the information required to develop the FDC calculation. Examples of the types of information that an entity providing the service should provide include a detailed description of the product or service being provided, the job function code or titles of the employees involved, the number of employees in each job function or title, the building location and floor space used by these employees, any computer systems utilized, vendor or outside contractor costs, or any special equipment or supplies purchased. This information is forwarded to the Bell Atlantic Service Costs Department (a department of NSI and TRG), which calculates FDC.

We inquired of management and documented and identified the type of costs included in FDC. Management indicated FDC includes direct labor, materials, overhead, and return on investment. For two services provided by the BOC to the Section 272 affiliates, we obtained and documented the actual development of FDC. These services included: (a) Business Service Center/Account Team Center (General Business) to BABS, and (b) Sales/Service (Consumer Sales) to BACI.

- (a) The FDC for Business Service Center/Account Team Center (General Business) to BABS included direct labor, non-wage expenses and overhead, and return on investment for each cost component. Specific cost components include:
- Labor Costs
  - Third Party Acquisitions - Order Processing
  - Work Flow Manager Cost
  - Incentive Program Costs
  - Service Order Processing System Costs
  - SalesStar System Costs
- (b) The FDC for Sales/Service (Consumer Sales) to BACI included direct labor, non-wage expenses and overhead, and return on investment for each cost component. Specific cost components include:
- New Hires
  - Management
  - Systems

For the one service provided by the Section 272 affiliates to the BOC, we documented the actual development of FDC. This service was related to an employee strike.

The FDC for Work Stoppage Services included the following types of costs:

- Average Annual Salary
- Bonus Payout
- Benefit Loading
- ROI

8. For nontariffed services and for services for which a PMP has not been established, or which are not subject to agreements filed with a public service commission, we inquired of management and documented the process the BOCs and the Section 272 affiliates follow to make good faith estimates of fair market value ("FMV"). Management indicated that a good faith determination of the fair market value requires the use of methods that are routinely used by the general business community. Examples of general business methods for obtaining fair market valuations include independent valuations such as appraisals, the use of catalogs listing similar items, competitive bids, the replacement cost of an asset, and the net realizable value of an asset. Additionally, the Company has engaged an unaffiliated entity to perform fair market valuations.

The entity providing the good, service or transferring the asset is responsible for obtaining a fair market value for all associated costs. The entity develops a detailed description of the goods, services or assets involved, and provides any additional information required by an independent firm to further assist in the valuation of the goods, services or assets being valued.

For two services provided by the BOCs to the Section 272 affiliates, we obtained and documented the actual development of FMV. These services included: (a) utility service associated with a real estate lease, and (b) Wholesale National Directory Assistance to BAGNI.:

- (a) The FMV for the selected real estate utility service was developed by an unaffiliated entity and was based on the utility company's rate and actual monthly usage.
- (b) The FMV for Wholesale National Directory Assistance was developed by review of the responses to the related BAGNI request for proposal.

For the one service provided by the Section 272 affiliates to the BOCs, we documented the actual development of FMV. This service was related to the strike. We noted that management developed the FMV by referencing actual wages and publicly available third party wages for similar job functions, and social security and Medicare taxes.

9. We obtained a listing and amounts of services rendered by month by the BOCs to the Section 272 affiliates from January 3, 2000 through September 30, 2000. We identified those services made available to the Section 272 affiliates and not made available to third parties. Management indicated that these services were for joint marketing and are consistent with "CC Docket 96-149, *In the Matter of Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, First Report and Order and Further Notice of Proposed Rulemaking.*" We selected a random sample of 70 transactions and we requested unit charges of FDC and FMV, as appropriate, to determine if

these amounts were recorded in the books of the BOCs in accordance with the affiliate transactions standards. We were unable to obtain the FMV at the unit charge level for 49 of the 70 transactions. Accordingly, for these 49 transactions, we attempted to compare FDC and FMV for individual components of the unit charges and noted the following:

- For 15 of the 49 transactions, we were able to compare all individual components of FDC and FMV; and
- For 34 of the 49 transactions, we were able to compare some but not all of the components of FDC and FMV. Management indicated that the Company requested but was not able to obtain FMV from the third parties for services such as the development and maintenance of customer database records and the customer complaint center because the related services were unique to the Company. We obtained from management a letter from the unaffiliated entity that indicated a FMV could not be obtained for these services.

Detailed information concerning these 15 and 34 transactions has been provided in the tables below:

**Table No. 9**

Ref. No.	Transaction (Service)	Amount (FDC)	Date	Parties	Components Compared
1	Agents – Premises	**propr ietary**	March	NYT*/ BABS	All
2	Agents – Premises	**propr ietary**	April	NYT / BABS	All
3	Agents – Premises	**propr ietary**	May	NYT / BABS	All
4	Agents – Premises	**propr ietary**	July	NYT / BABS	All
5	Agents – Premises	**propr ietary**	August	NYT / BABS	All
6	Agents – Premises	**propr ietary**	September	NYT / BABS	All
7	Agents – Telemarketing	**propr ietary**	May	NYT / BABS	All
8	Agents – Telemarketing	**propr ietary**	September	NYT / BABS	All
9	Agents – Premises and Telemarketing	**propr ietary**	March	NYT / BABS	All
10	Agents – Premises and Telemarketing	**propr ietary**	May	NYT / BABS	All
11	Agents – Premises and Telemarketing	**propr ietary**	June	NYT / BABS	All
12	Agents – Premises and Telemarketing	**propr ietary**	September	NYT / BABS	All
13	Cost of Observation	**propr ietary**	March	NYT / BABS	All
14	Cost of Observation	**propr ietary**	June	NYT / BABS	All
15	Cost of Observation	**propr ietary**	August	NYT / BABS	All
* New York Telephone Company					

Table No. 10

Ref. No.	Transaction (Service)	Amount (FDC)	Date	Parties	Components Compared
1	Business Service Center / Account Team Center – NY	**proprietary**	March	NYT* / BABS	Some
2	Business Service Center / Account Team Center – NY	**proprietary**	April	NYT / BABS	Some
3	Business Service Center / Account Team Center – NY	**proprietary**	June	NYT / BABS	Some
4	Business Service Center / Account Team Center – NY	**proprietary**	August	NYT / BABS	Some
5	Business Service Center / Account Team Center – NY	**proprietary**	September	NYT / BABS	Some
6	Business Service Center / Account Team Center / LaConnexion – ME	**proprietary**	March	NYT / BABS	Some
7	Business Service Center / Account Team Center / LaConnexion – ME	**proprietary**	May	NYT / BABS	Some
8	Business Service Center / Account Team Center / LaConnexion – ME	**proprietary**	June	NYT / BABS	Some
9	Telephone Account Manager	**proprietary**	March	NYT / BABS	Some
10	Telephone Account Manager	**proprietary**	April	NYT / BABS	Some
11	Telephone Account Manager	**proprietary**	May	NYT / BABS	Some
12	Telephone Account Manager	**proprietary**	September	NYT / BABS	Some
13	Direct Marketing Center	**proprietary**	March	NYT / BABS	Some
14	Direct Marketing Center	**proprietary**	May	NYT / BABS	Some
15	Direct Marketing Center	**proprietary**	June	NYT / BABS	Some
16	Direct Marketing Center	**proprietary**	September	NYT / BABS	Some
17	Out of Region	**proprietary**	March	NYT / BABS	Some
18	Out of Region	**proprietary**	April	NYT / BABS	Some
19	Out of Region	**proprietary**	June	NYT / BABS	Some

Ref. No.	Transaction (Service)	Amount (FDC)	Date	Parties	Components Compared
20	Out of Region	**proprietary**	August	NYT / BABS	Some
21	Internet Telemarketing	**proprietary**	April	NYT / BABS	Some
22	Internet Telemarketing	**proprietary**	May	NYT / BABS	Some
23	Internet Telemarketing	**proprietary**	June	NYT / BABS	Some
24	Internet Telemarketing	**proprietary**	September	NYT / BABS	Some
25	Cost Allocation Manual	**proprietary**	June	NYT / BABS	Some
26	Cost Allocation Manual	**proprietary**	August	NYT / BABS	Some
27	Ordering Processing Services for Agents	**proprietary**	July	NYT / BACI	Some
28	Ordering Processing Services for Agents	**proprietary**	August	NYT / BACI	Some
29	Ordering Processing Services for Multi-Dwelling Unit Agents	**proprietary**	August	NYT / BACI	Some
30	Sales/Service	**proprietary**	March	NYT / BACI	Some
31	Sales/Service	**proprietary**	April	NYT / BACI	Some
32	Sales/Service	**proprietary**	May	NYT / BACI	Some
33	Sales/Service	**proprietary**	June	NYT / BACI	Some
34	Sales/Service	**proprietary**	August	NYT / BACI	Some
* New York Telephone Company					

We noted that for nine of the 70 transactions (which represents three services), the Section 272 affiliate was charged an amount other than FDC or FMV as the result of an administrative error. Detailed information concerning these nine transactions has been provided in the table below:

Table No. 11

Ref. No.	Transaction (service)	Amount Charged	Date	Parties
1	Targeted Inbound Telemarketing	**proprietary**	July	NYT / BACI
2	Untargeted Inbound Telemarketing	**proprietary**	March	NYT / BACI
3	Untargeted Inbound Telemarketing	**proprietary**	July	NYT / BACI



Ref. No.	Transaction (service)	Amount Charged	Date	Parties
4	Untargeted Inbound Telemarketing	<b>**proprietary**</b>	August	NYT / BACI
5	Targeted Outbound Telemarketing	<b>**proprietary**</b>	March	NYT / BACI
6	Targeted Outbound Telemarketing	<b>**proprietary**</b>	May	NYT / BACI
7	Targeted Outbound Telemarketing	<b>**proprietary**</b>	June	NYT / BACI
8	Targeted Outbound Telemarketing	<b>**proprietary**</b>	July	NYT / BACI
9	Targeted Outbound Telemarketing	<b>**proprietary**</b>	August	NYT / BACI
* The amounts originally provided for these services were estimates. Management indicated that the amounts were billed in October 2000.				

For all 70 transactions, we traced the invoiced amount to the books of the BOC. We documented the amounts the Section 272 affiliates recorded for the services in their books of record. We also documented the amount the Section 272 affiliates paid the BOCs for the services. We compared the invoiced amount recorded in the BOC's books of record to the amount recorded in the Section 272 affiliate's books of record and noted no differences.

10. We obtained a listing and amounts charged for services by month to the BOCs by the Section 272 affiliates from January 3, 2000 through September 30, 2000. For 17 transactions (which represent all transactions for the service offered to the BOCs by the Section 272 affiliates), we compared unit charges to FDC or FMV, as appropriate, and determined that the costs for these transactions were recorded in the books of the BOCs at the lower of FDC or FMV in accordance with the affiliate transaction standards.

Management indicated that BACI, BABS and BAGNI billed Bell Atlantic-PA, Bell Atlantic-DC, Bell Atlantic-MD, Bell Atlantic-VA, Bell Atlantic-DE, Bell Atlantic-NJ and Bell Atlantic-NY a combined **\*\*proprietary\*\*** for Directory Assistance Services provided during the strike. The strike dates were August 5, 2000 through August 24, 2000 for the Bell Atlantic South BOCs, and August 5, 2000 through August 22, 2000 for the Bell Atlantic North BOCs. Management met with members of the FCC's Common Carrier Bureau to discuss their desire to use employees from the Section 272 affiliates to provide services to the BOCs during the work stoppage. Management was advised by the Common Carrier Bureau that Verizon could use employees from the Section 272 affiliates to provide services to the BOCs during the work stoppage provided the transaction was provided in accordance with all rules, regulations and statutes. Since there was no prevailing price, in accordance with the applicable rule, the transaction was recorded in the BOCs books at the lower of FDC or FMV.

We documented the amount the BOCs recorded for these transactions in their books of record. For two of the 17 transactions, the amount recorded by the Section 272 affiliate could not be agreed to the amount recorded by the BOCs due to a reclass in the amounts billed of **\*\*proprietary\*\***. However, in total, the amounts recorded for these two transactions by the BOCs and Section 272 affiliate were the same. For one of the 17 transactions, the amount recorded by the Section 272 affiliate could not be agreed to the amount recorded by the BOC

due to disputes in the amounts billed of **\*\*proprietary\*\***. We also documented the amount the BOCs paid for these transactions to Section 272 affiliates. For one of the 17 transactions, we were unable to trace the invoiced amount to the books of record of the BOC as this transaction was not yet fully paid by the BOC. The transaction was for services provided by BACI for Bell Atlantic-Maryland in August 2000. The total amount billed was **\*\*proprietary\*\***, of which **\*\*proprietary\*\*** was not paid.

11. We inquired and documented how and who maintains the Section 272 affiliates' employee benefit plans (such as life insurance, health insurance, retirement plans). We inquired of management and management indicated the costs for administering these plans are allocated to the Section 272 affiliates and these benefits are not funded by the BOCs. The employee benefit plans are administered by the Bell Atlantic Human Resources - Benefits Planning Group, a department of NSI and TRG. The costs for these plans are allocated to the participating affiliates based on several factors, including relative number of employees enrolled in the plans at each entity, relative payroll of the entities, and historical cost.
12. We obtained a listing and amounts charged for services by month by each of the two central services organizations to the Section 272 affiliates from January 3, 2000 through September 30, 2000 and documented the methodology used to identify and cost these services. The two central service organizations are TRG and NSI. For a random sample of 70 transactions rendered by TRG and a random sample of 80 transactions rendered by NSI, we obtained the related invoices and intercompany payment reports, which indicated that the Section 272 affiliates were billed and paid for these transactions.

The Company utilizes a cost allocation system that is based on direct allocation for those costs which can be directly attributed to the entity receiving the services. Where costs cannot be directly assigned, the allocation is based on an indirect cost causative principle. The services rendered by TRG and NSI to the Section 272 affiliates are priced using a FDC methodology.

13. We obtained the balance sheets and detailed listings of fixed assets for the Section 272 affiliates at September 30, 2000. We performed the procedures indicated in Objective I, Procedure 7. We inquired of management and management indicated there were no fixed assets purchased or transferred from the BOCs to the Section 272 affiliates as of September 30, 2000. Management indicated fixed assets were transferred to the Section 272 affiliates from other non-regulated affiliates. We selected a random sample of 86 fixed assets transferred from other non-regulated affiliates. We identified and documented whether they were originally transferred from the BOCs to other affiliates by inspecting third party and other non-regulated affiliate invoices. We obtained and inspected third party invoice support for 72 of 86 selections and noted no instances where those items purchased or transferred from another affiliate as of September 30, 2000 were originally transferred from the BOCs. For 14 of the 86 selections, we were unable to obtain third party and other non-regulated affiliate invoices as management was unable to locate such invoices. Therefore, we were unable to determine whether these 14 items were originally transferred from the BOCs. Detailed information concerning these 14 invoices has been provided in the table on the following page.

Table No. 12

Ref. No.	Asset Description	Cost	Affiliate Purchased From	Third Party Vendors	Transaction Date
1	<b>**proprietary*</b> * Network Router	<b>**proprietary**</b>	BANI*	<b>**proprietary*</b> *	05/15/2000
2	Cabinet	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	01/01/2000
3	Cabinet	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	05/19/2000
4	Cabinet	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	06/01/2000
5	Cabinet	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	03/24/2000
6	Cabinet	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	03/24/2000
7	Cabinet	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	04/28/2000
8	Cabinet	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	05/19/2000
9	Cabinet	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	01/01/2000
10	Cabinet	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	01/01/2000
11	Cisco 6400 Network Router	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	01/01/2000
12	24 Port 10/100 Ethernet.	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	01/01/2000
13	Cabinet	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	05/19/2000
14	Cabinet	<b>**proprietary**</b>	BANI	<b>**proprietary*</b> *	05/15/2000
* Bell Atlantic Network Integration.					

14. We inquired of management and management indicated there were no interconnection, unbundled network elements, or resold services purchased by the Section 272 affiliates from the BOCs pursuant to Section 252(e) or statements of generally available terms pursuant to Section 252(f).
15. We inquired of management and management indicated that no part of the BOCs' Official Services network was transferred or sold to the Section 272 affiliates at any time.
16. We inquired of management and management indicated there were no sales or transfers of any BOCs' facilities to the Section 272 affiliates from February 8, 1996 through January 2, 2001.

17. We inquired of management and management indicated there has been no unique reconfiguration of the telephone network of the BOCs to connect to the network of the Section 272 affiliates other than as provided under access tariffs, and that reconfiguration is offered to the Section 272 affiliates and unaffiliated entities under the same conditions.

## **Objective VII: The BOC May Not Discriminate Against Any Entity in the Provision of Goods and Services**

1. See Objective V/VI, Procedure 1 for work performed for this procedure. Management indicated that three complaints applicable to Objective VII were filed. Two of these complaints have been resolved as follows:
  - On July 21, 2000, Yellow Book USA filed a formal complaint with the FCC regarding Bell Atlantic's rates for subscriber list information. Yellow Book USA claimed that Bell Atlantic's rates for subscriber list information were unreasonable because they were based on the value of the subscriber list information rather than at cost. On August 28, 2000, the complaint was dismissed.
  - On December 12, 1999, the Independent Payphone Association of New York ("IPANY") filed a formal complaint with New York Public Service Commission ("NYPSC") regarding rates for public access lines. IPANY was seeking the establishment of a permanent reasonable rate for public access line service provided by Verizon-New York, refunds from April 1, 1997, and the establishment of prospective rates for public access lines and rates for usage. On August 16, 2000, the NYPSC issued an order denying the IPANY petition.
2. We obtained the BOCs' written procurement procedures, practices, and policies for services and goods at September 30, 2000 including services and goods provided by the Section 272 affiliates. We inquired of management and documented details of the BOCs' bidding process, the selection process, and the methodology by which the BOCs disseminate requests for proposals to affiliates and third parties is summarized as follows:
  - BOC determines need for product or service
  - BOC contacts Corporate Sourcing (Corporate Sourcing is part of NSI, and provides procurement services to all affiliates.)
  - Sourcing forms a Cross Functional Team ("CFT") of users and stakeholders
  - Scope of Work is prepared by BOC
  - Potential list of suppliers is identified by the team
  - Request for Price ("RFP") is prepared by Sourcing
  - RFP distributed to suppliers (minimum of three)
  - Request for Revised Proposal distributed to short list of suppliers
  - Responses received and reviewed by CFT
  - Negotiations held with top supplier(s)
  - Selected supplier is awarded the contract

Total cost, quality, service, technology, and continuous improvement are considered when selecting a supplier. We did not note any stated purchasing preferences contained in the BOCs' procedures that would favor the Section 272 affiliates.

3. We inquired of management as to the BOCs' procurement awards to the Section 272 affiliates and bids submitted by the Section 272 affiliates from January 3, 2000 through September 30, 2000. Management indicated that there were no procurement awards by the BOCs to the Section 272 affiliates and no bids submitted by the Section 272 affiliates to the BOCs during the period.
4. We obtained a summarized listing of the goods (including software), services, facilities, and customer network services information, excluding CPNI as defined in Section 222(f)(1) of the Communications Act of 1934, as amended, and exchange access services and facilities

inspected in Objective IX, made available to the Section 272 affiliates (the “Summarized Services Listing”). We prepared a detailed listing of the contracts for such items from the contract summaries posted on the Section 272(b)(5) websites (the “Detailed Services Listing”):

- [www.callbell.com/regreqs2/index.cfm](http://www.callbell.com/regreqs2/index.cfm) for BACI,
- [www.callbell.com/regreqs2/index.htm](http://www.callbell.com/regreqs2/index.htm) for BABS; and
- [www.baglobal.com/regrequirements.html](http://www.baglobal.com/regrequirements.html) for BAGNI

We compared the Summarized Services Listing to the Detailed Services Listing and noted that the types of services included on the Detailed Services Listing were included on the Summarized Services Listing. Management reviewed the Detailed Services Listing and indicated it was a complete listing of goods (including software), services, facilities, and customer network services information, excluding CPNI as defined in Section 222(f) (1) of the Communications Act of 1934, as Amended, and exchange access services and facilities inspected in Objective IX, offered to the Section 272 affiliates. We then inquired of management as to the existence of any media used by the BOCs to inform unaffiliated entities of the availability of the same goods (including software), services, facilities, and information provided to the Section 272 affiliates. Management indicated the media used to inform carriers of such items are the Section 272(b)(5) websites referred to above. Therefore, we obtained the underlying agreements for goods, services, facilities, and information between the BOCs and the Section 272 affiliates with their related rates, terms and conditions. We then compared the rates, terms and conditions offered by the BOCs to the Section 272 affiliates, per these underlying agreements, with the rates, terms and conditions offered unaffiliated carriers per the contract summaries posted on the Section 272(b)(5) websites. The results of this comparison are reflected in the results for Objective V/VI, Procedure 6.

5. We obtained lists from the BOC of all unaffiliated entities who purchased the same goods (including software), services, facilities, and customer network services information (excludes CPNI) from the BOC during 2000. These services include billing and collections and local exchange services.

For billing and collections services, we obtained a schedule detailing billing & collections revenue and documented the extent of purchases made by unaffiliated entities during 2000 **\*\*proprietary\*\***). We selected a random sample of 16 unaffiliated entities who contracted or renewed their billing and collection contracts in 2000 and requested copies of the related billing and collections services agreements. We compared the rates, terms and conditions appearing on the agreements of the sampled unaffiliated entities to the rates, terms and conditions offered to the Section 272 affiliates during the same time period and noted no exceptions.

For local exchange services, we obtained a schedule detailing Enterprise local exchange revenue and documented the extent of purchases made by unaffiliated entities during 2000 **\*\*proprietary\*\***). We selected a random sample of 100 Enterprise customers from the listing of unaffiliated entities referenced above. For these Enterprise customers who purchased local exchange services from the BOC, we obtained copies of their Customer Service Records (“CSRs”). We compared the rates, terms and conditions appearing on the CSRs of the unaffiliated entities to the rates, terms and conditions appearing on the CSRs of the Section 272 affiliates and noted no differences.

For the above selections of billing and collections and local exchange services provided to the Section 272 affiliates, we documented the amount paid to the BOC for such services

(**\*\*proprietary\*\*** for billing and collections and **\*\*proprietary\*\*** for local exchange services).

6. We obtained and documented the BOCs' methods for disseminating information about network changes, establishing or adopting new network standards and for the availability of new network services to the Section 272 affiliates and to unaffiliated entities. The information is disseminated using the following methods:
  - Industry Letters
  - Bell Atlantic Wholesale Markets web site ([www.bellatlantic.com/wholesale](http://www.bellatlantic.com/wholesale))
  - The Carrier First (e-mail notification)
  - Account Team contacts
  - Tariffs
  - Industry and Company seminars and conferences
  - "The Carrier" Newsletter
  - Workshops
  - The Carrier Sourcebook

We noted no differences in the manner in which information regarding network changes, establishing or adopting new network standards and the availability of new network services is disseminated and services are made available to Section 272 affiliates as compared to unaffiliated entities.

7. We obtained and inspected the scripts for inbound calls from the customer service representatives' Customer Contact Procedures manual for establishing new services, moving to a new location, changing selected interLATA service provider, or any other situation where the BOCs or BOCs' affiliated sales agents attempt to market their Section 272 affiliates' interLATA service. We noted that the scripts inspected (except in the case of change orders), informed the consumers of other providers of long distance service. Management indicated that in the case of change orders, the customer service representatives can exclusively market the Company's own long distance service.
8. We remotely observed 5 customer service representatives for one half hour each responding to inbound callers to whom the customer service representatives attempted to market the Section 272 affiliates' interLATA service. As only three of the customer service representatives received inbound calls related to interLATA service, we remotely observed two other customer service representatives. We documented the discussions between the customer service representatives and the inbound callers.

We noted one instance where a caller, who called requesting a telephone number change, was referred to the Section 272 affiliate and was not informed of other providers of interLATA services and was not informed of his right to make the selection. We inspected the Customer Contact Procedures manual and noted that, with change orders, the customer service representative can proactively inform the customer that the Company offers long distance after handling the customer's request.

We observed calls from consumers establishing new service and re-establishing services after a move to another location. We noted, during these calls, the customer service representatives informed the inbound callers of the right to choose their interexchange carrier ("IXC") and inquired as to whether the callers were interested in receiving long distance service from the Company or an unaffiliated IXC.

9. We inquired of management and management indicated the Section 272 affiliates do not employ their own sales managers. We obtained and inspected printed materials that are available to determine if the Section 272 affiliates market information services and/or exchange services, as an agent of the BOCs or as a reseller and noted no instances where the Section 272 affiliates market information services and/or exchange services, as an agent of the BOCs or as a reseller.



**Objective VIII: The BOC Shall Not Discriminate Against Any Entity in the Fulfillment of Requests for Services**

1. See Objective V/VI Procedure 1 for work performed for this procedure. Management indicated that 12 complaints applicable to Objective VIII were filed. Six of these complaints have been resolved as follows:
  - On July 10, 2000, AT&T filed a formal complaint with the FCC regarding the joint marketing of long distance service. AT&T alleged that the manner in which Bell Atlantic markets the services of BACI during incoming calls from its existing local exchange customers violated Section 272 of the Act. On October 5, 2000, the FCC denied this complaint.
  - On December 16, 1999, Atlantic Alliance Telecom (“AAT”) filed a formal complaint with the NYPSC alleging that Verizon refused to provide AAT access to Verizon's Operating Support Systems (“OSS”) by requiring it to comply with certain tariff clauses. On January 14, 2000, the NYPSC denied AAT's allegations that Verizon refused OSS access by AAT by requiring AAT to comply with Verizon's resale tariff and remit a deposit before gaining access to Verizon's OSS.

Management indicated that the New York Operations Support System Public Service Commission proceedings resulted in a Consent Decree between the FCC and Bell Atlantic New York (FCC 00-92 dated March 9, 2000). Management indicated that Bell Atlantic New York has satisfied all of the requirements in the Consent Decree. On June 20, 2000, the FCC terminated Bell Atlantic's obligations under this Decree. The NYPSC terminated their investigation of this matter on July 27, 2000. This information relates to the following complaints:

- On January 7, 2000, AT&T filed a formal complaint with the NYPSC regarding Verizon's OSS interface availability, non-receipt of order confirmations, mishandling of orders, failure to provide completion notices and help desk timeliness. The NYPSC issued an order addressing all aspects of the OSS Notifier Proceeding. This was effective July 27, 2000. Verizon implemented numerous software modifications to address the OSS matters covered by the complaint.
- On January 7, 2000, MCI WorldCom and AT&T filed a formal complaint with the NYPSC regarding Verizon's OSS which caused delays or loss of status notifiers and loss of orders. The NYPSC issued orders addressing various aspects of the complaint in February 2000, March 2000, and July 2000. Verizon implemented numerous software modifications to address the OSS matters covered by the complaints.
- On January 28, 2000 AT&T filed a formal complaint with the NYPSC regarding problems with UNE customers that have experienced complete service outages. The NYPSC issued an order addressing all aspects of the OSS Notifier Proceeding, effective July 27, 2000. Verizon implemented numerous software modifications to address the OSS matters covered by the complaints.
- On January 31, 2000, AT&T filed a formal complaint with the NYPSC requesting intervention to obtain a February 2000 implementation date for fielded completions. On February 11, 2000, AT&T and Verizon negotiated an April 2000 implementation date for fielded completions of OSS.

Management indicated that none of the complaints above resulted in a finding that Verizon was in violation of state or federal law.

2. We requested the BOC's reports from January 3, 2000 through September 30, 2000 indicating time intervals for processing orders, provisioning of service, performing repair and maintenance services for end user customers of the BOC, affiliate, and nonaffiliates for exchange telephone services, exchange access services, and unbundled network elements.

Management indicated no local exchange services (with the exception of intraLATA toll services), exchange access services, or unbundled network elements were provided to end-users by the Section 272 affiliates. As a result, no reports were prepared by management.

Exchange access services Verizon provides for Section 272 affiliates and non-affiliates, as customers, are discussed in Objective VIII, Procedure 3.

As noted above, management indicated that the reports were not prepared and, as provided for in the agreed-upon procedures, we therefore performed Procedure 5 below in lieu of this Objective VIII, Procedure 2.

3. We requested reports for New York from January 3, 2000 through September 30, 2000 that indicated the time intervals for processing orders, provisioning of service, and performing repair and maintenance services for the affiliate and for nonaffiliates, as customers, for exchange access services. Management indicated the following reports were available for each metric:
  - A. Average Installation Interval for January through September 2000
  - B. Percent (%) Commitments Met for January through September 2000
  - C. Average Repair Interval for April through September 2000
  - D. Total Trouble Reports for April through September 2000
  - E. Firm Order Confirmation % for January through September 2000
  - F. PIC Change Intervals for May through September 2000

Management initially indicated that certain reports were unavailable prior to August 2000. After further efforts within the Company, management determined that while, as discussed below, certain transaction data was not available to produce the reports, query reports on which the reports were based were available for the months requested. Management indicated that the additional reports were prepared based on the query reports.

Management indicated that the Average Repair Interval and Total Trouble Reports requested for January through March 2000 were not available as supporting data for these measures are not routinely retained for extended periods.

Management further indicated that since the Company only began using the mechanized PIC Change Interval process in March 2000, comparisons with carriers that submit PICs using the mechanized process would not be meaningful prior to March. Further, since Verizon's volumes were **\*\*proprietary\*\*** in March and April (compared to thousands for other carriers), these months were excluded from the analysis.

We requested from management the definition of exchange access services reported for the measures. Management indicated that the definition and list of services included in High Speed and all Special Access is as follows:

**All Special Access**

Circuit from the LEC facilities to the Interexchange carrier POP or customer premise for voice grade service, WATS/800, metallic and telegraph services, audio or video program services, wideband services, DDS, high capacity, DS1, DS3, and switched Feature Group A services.

**High Speed Special Access**

Circuit from the LEC facilities to the Interexchange carrier POP or customer premises for DS1, DS2, DS3 and other similar digital services. (The High Speed Special Access Category is a subset of All Special Access.)

Additionally, PIC change is a switched access service that provides for customer selection of the carrier of choice for handling inter-LATA as well as intra-LATA calling.

**Table No. 13**

Measurement	Definition <sup>5</sup>	Type of Access Reported	Result
A. Average Installation Interval	The average interval expressed in business days, between the date the service order of Interexchange carriers/customers was placed and the date the service order was completed for orders completed during the current reporting period. This amount excluded orders having commitment dates set by customers. This amount is calculated by dividing the total business days for all installation orders or circuits from Interexchange carriers/customers by the number of installation orders or circuits from Interexchange carriers/customers.	<ul style="list-style-type: none"> <li>▪ All Special Access</li> <li>▪ High Speed Special Access</li> </ul>	Days
B. Percent (%) Installation Commitments Met	The percentage of installation commitments met during the current reporting period. This amount is calculated by dividing the number of installation orders or circuits from Interexchange carriers/customers completed by commitment date by the total number of installation orders or circuits.	<ul style="list-style-type: none"> <li>▪ All Special Access</li> <li>▪ High Speed Special Access</li> </ul>	xxx%

<sup>5</sup> As defined in the 272 Biennial Audit survey requests #38 and #39, and Attachment Q to the September 2000 Susan C. Browning declaration in the 271 filing for Massachusetts.

Measurement	Definition	Type of Access Reported	Result
C. Average Repair Interval	The average interval, expressed in hours to the nearest tenth based on a stopped clock, from the time of the reporting carriers receipt of the trouble report to the time of acceptance by the complaining Interexchange carrier/customer. This interval is defined as "Interval measure in clock hours, excluding only time when maintenance is delayed due to circumstances beyond the ILEC's control. Typical reasons for delay include, but are not limited to, premise access when a problem is isolated to the location or to absence of customer support to test facilities. This amount is calculated by dividing the total hours for the total trouble reports divided by the number of total trouble reports.	<ul style="list-style-type: none"> <li>All Special Access</li> <li>High Speed Special Access</li> </ul>	Hours
D. Total Trouble Reports	The total number of circuit-specific trouble reports referred to the ILEC by Interexchange carriers/customers during the current reporting period.	<ul style="list-style-type: none"> <li>All Special Access</li> <li>High Speed Special Access</li> </ul>	Tickets
E. Firm Order Confirmation Response Time	The amount of elapsed time between the receipt of a valid order request (Access Service Request –ASR) from Interexchange carriers/customers and the distribution of a service order confirmation back to the customer.	<ul style="list-style-type: none"> <li>All Special Access</li> </ul>	xxx%
F. PIC Change Intervals	Time measured from receipt of carrier initiated change to completion at switch	<ul style="list-style-type: none"> <li>Switched Access</li> </ul>	Hours

We obtained the above-mentioned reports from management. The table below documents the details of the differences identified in the reports obtained.

Table No. 14a

272 Measure	Month	High Speed Access				All Special Access			
		Verizon		Non-Affiliate		Verizon		Non-affiliate	
		Population	Result	Population	Result	Population	Result	Population	Result
Average Installation Interval	Jan	*proprietary*	*proprietary*	3,381 Orders	20.9 Days	*proprietary*	*proprietary*	4,934 Orders	19.0 Days
	Feb	*proprietary*	*proprietary*	3,050 Orders	20.5 Days	*proprietary*	*proprietary*	4,361 Orders	19.0 Days
	March	*proprietary*	*proprietary*	4,086 Orders	28.6 Days	*proprietary*	*proprietary*	5,939 Orders	23.9 Days
	April	*proprietary*	*proprietary*	3,477 Orders	23.8 Days	*proprietary*	*proprietary*	4,713 Orders	21.4 Days

272 Measure	Month	High Speed Access				All Special Access			
		Verizon		Non-Affiliate		Verizon		Non-affiliate	
		Population	Result	Population	Result	Population	Result	Population	Result
Average Installation Interval (cont.)	May	*proprietary*	*proprietary*	4,211 Orders	38.0 Days	*proprietary*	*proprietary*	5,752 Orders	31.4 Days
	June	*proprietary*	*proprietary*	4,073 Orders	25.3 Days	*proprietary*	*proprietary*	5,464 Orders	22.5 Days
	July	*proprietary*	*proprietary*	2,574 Orders	32.8 Days	*proprietary*	*proprietary*	3,253 Orders	29.0 Days
	August	*proprietary*	*proprietary*	1,345 Orders	38.3 Days	*proprietary*	*proprietary*	1,802 Orders	32.1 Days
	Sept	*proprietary*	*proprietary*	2,379 Orders	59.2 Days	*proprietary*	*proprietary*	3,336 Orders	48.1 Days
Percent Commitments Met	Jan	*proprietary*	*proprietary*	3,381 Orders	79.3%	*proprietary*	*proprietary*	4,934 Orders	81.0%
	Feb	*proprietary*	*proprietary*	3,050 Orders	83.9%	*proprietary*	*proprietary*	4,361 Orders	84.4%
	March	*proprietary*	*proprietary*	4,086 Orders	85.7%	*proprietary*	*proprietary*	5,939 Orders	87.6%
	April	*proprietary*	*proprietary*	3,477 Orders	86.9%	*proprietary*	*proprietary*	4,713 Orders	87.7%
	May	*proprietary*	*proprietary*	4,211 Orders	85.0%	*proprietary*	*proprietary*	5,752 Orders	85.9%
	June	*proprietary*	*proprietary*	4,073 Orders	82.2%	*proprietary*	*proprietary*	5,464 Orders	83.8%
	July	*proprietary*	*proprietary*	2,574 Orders	77.7%	*proprietary*	*proprietary*	3,253 Orders	80.0%
	August	*proprietary*	*proprietary*	1,345 Orders	72.5%	*proprietary*	*proprietary*	1,802 Orders	72.8%
	Sept	*proprietary*	*proprietary*	2,379 Orders	88.5%	*proprietary*	*proprietary*	3,336 Orders	89.7%
Average Repair Interval	April	*proprietary*	-	891 Trouble Tickets	6.2 Hours	*proprietary*	-	1,158 Trouble Tickets	5.8 Hours
	May	*proprietary*	-	1,185 Trouble Tickets	6.3 Hours	*proprietary*	-	1,471 Trouble Tickets	5.8 Hours
	June	*proprietary*	-	1,175 Trouble Tickets	7.7 Hours	*proprietary*	-	1,514 Trouble Tickets	6.8 Hours
	July	*proprietary*	*proprietary*	1,731 Trouble Tickets	4.9 Hours	*proprietary*	*proprietary*	2,806 Trouble Tickets	4.8 Hours
	August	*proprietary*	*proprietary*	1,970 Trouble Tickets	10.7 Hours	*proprietary*	*proprietary*	3,073 Trouble Tickets	9.6 Hours
	Sept	*proprietary*	-	2,121 Trouble Tickets	3.8 Hours	*proprietary*	-	3,309 Trouble Tickets	4.1 Hours
Total Trouble Reports	April	*proprietary*	-	891 Trouble Tickets	-	*proprietary*	-	1,158 Trouble Tickets	-
	May	*proprietary*	-	1,185 Trouble Tickets	-	*proprietary*	-	1,471 Trouble Tickets	-
	June	*proprietary*	-	1,175 Trouble Tickets	-	*proprietary*	-	1,514 Trouble Tickets	-
	July	*proprietary*	-	1,731 Trouble Tickets	-	*proprietary*	-	2,806 Trouble Tickets	-

272 Measure	Month	High Speed Access				All Special Access			
		Verizon		Non-Affiliate		Verizon		Non-affiliate	
		Population	Result	Population	Result	Population	Result	Population	Result
Total Trouble Reports (cont)	August	*proprietary*	-	1,970 Trouble Tickets	-	*proprietary*	-	3,073 Trouble Tickets	-
	Sept	*proprietary*	-	2,121 Trouble Tickets	-	*proprietary*	-	3,309 Trouble Tickets	-

Table No. 14b

272 Measure	Month	All Special Access			
		Verizon		Non-affiliate	
		Population	Result	Population	Result
Firm Order Confirmation Response Time (FOC <= 1 Days)	Jan	*proprietary*	*proprietary*	3,187 Orders	44.93%
	Feb	*proprietary*	*proprietary*	2,824 Orders	46.92%
	March	*proprietary*	*proprietary*	3,506 Orders	47.18%
	April	*proprietary*	*proprietary*	3,241 Orders	45.94%
	May	*proprietary*	*proprietary*	3,433 Orders	45.88%
	June	*proprietary*	*proprietary*	3,391 Orders	39.87%
	July	*proprietary*	*proprietary*	3,011 Orders	37.79%
	August	*proprietary*	*proprietary*	1,912 Orders	34.68%
	Sept	*proprietary*	*proprietary*	2,666 Orders	26.07%
Firm Order Confirmation Response Time (FOC <= 3 Days)	Jan	*proprietary*	*proprietary*	3,187 Orders	66.87%
	Feb	*proprietary*	*proprietary*	2,824 Orders	70.61%
	March	*proprietary*	*proprietary*	3,506 Orders	71.08%
	April	*proprietary*	*proprietary*	3,241 Orders	71.95%
	May	*proprietary*	*proprietary*	3,433 Orders	69.24%
	June	*proprietary*	*proprietary*	3,391 Orders	65.23%
	July	*proprietary*	*proprietary*	3,011 Orders	65.06%
	August	*proprietary*	*proprietary*	1,912 Orders	60.46%
	Sept	*proprietary*	*proprietary*	2,666 Orders	48.20%
Firm Order Confirmation Response Time (FOC > 3 Days)	Jan	*proprietary*	*proprietary*	3,187 Orders	33.13%
	Feb	*proprietary*	*proprietary*	2,824 Orders	29.39%
	March	*proprietary*	*proprietary*	3,506 Orders	28.92%

272 Measure	Month	All Special Access			
		Verizon		Non-affiliate	
		Population	Result	Population	Result
Firm Order Confirmation Response Time (FOC > 3 Days) (cont.)	April	*proprietary *	*proprietary ry*	3,241 Orders	28.05%
	May	*proprietary *	*proprietary ry*	3,433 Orders	30.76%
	June	*proprietary *	*proprietary ry*	3,391 Orders	34.77%
	July	*proprietary *	*proprietary ry*	3,011 Orders	34.94%
	August	*proprietary *	*proprietary ry*	1,912 Orders	39.54%
	Sept	*proprietary *	*proprietary ry*	2,666 Orders	51.80%

Table No. 14c

272 Measure	Month	Switched Access			
		Verizon		Non-affiliate	
		Population	Result	Population	Result
PIC Change Intervals (Mechanical Process)	May	*proprietary ry*	*proprietary etary*	84,016 Orders	4 Hours, 29 Minutes
	June	*proprietary ry*	*proprietary etary*	87,991 Orders	1 Hour, 37 Minutes
	July	*proprietary ry*	*proprietary etary*	66,655 Orders	1 Hour, 51 Minutes
	August	*proprietary ry*	*proprietary etary*	84,084 Orders	1 Hour, 42 Minutes
	Sept	*proprietary ry*	*proprietary etary*	81,823 Orders	2 Hours, 18 Minutes

NOTE: Management indicated the ACNA (Access Carrier Name) BAX (affiliate ACNA appearing in the Verizon reports) reflects the affiliates that order exchange access services as provisioned in the special access tariff. BAGNI is the only affiliate that would order these services. No unbundled network elements were sold to Section 272 affiliates for the reporting period.

- We inquired of management and documented the BOCs procedures for obtaining the data and executing the queries to produce the measures outlined in Procedure 3 A-F. We obtained the executed queries used to produce the six measures for the month of August 2000. Management indicated that due to data archiving procedures, underlying transaction data was unavailable (with the exception of FOC measure data). More specifically, for the installation measures (measures A & B), management indicated that data in the relevant operational support systems (TIRKS) was not archived beyond 45 days and therefore historical transaction data was no longer available when we requested it. For the PIC measure (measure F), the necessary interval data at the transactional level cannot be retrieved from the operational support system (XEA). In addition, for the maintenance measures (measures C&D), data is archived for operational purposes of the Company in a manner that allows individual trouble tickets to be selected from the archive, but did not allow for the practical extraction of tickets for a selected time period as we had requested for our procedures.

We therefore performed the following procedures using the underlying data elements captured by the queries that were used to produce the measures:

4A(1) We obtained and inspected the queries which were executed by the BOC and which were used by the BOC to generate the data required for the Installation Intervals report. We then obtained the query output file and compared the interval per Access Carrier Name Abbreviation ("ACNA") and order volumes from this file to the interval per ACNA and order volume on the calculation worksheet used to prepare the Installation Interval report. We noted no differences.

4A(2) In addition, for the Section 272 affiliate, we computed the average installation interval. We compared the average installation interval for the Section 272 affiliate reflected on the Installation Interval report **\*\*proprietary\*\*** to our recomputed interval **\*\*proprietary\*\*** and noted the difference (.6 days), which appeared to be due to the rounding of the intervals by ACNA in the installation report.

4A(3) We also performed the following procedures with respect to the order volume and interval per ACNA from the query output file and the Average Installation Interval report:

- We compared the interval per ACNA and order volumes from this file to the interval per ACNA and order volume on the calculation worksheet for the Installation Interval report. We noted no exceptions.
- We inspected the formulas for calculating the Installation Interval in the calculation cells in the August 2000 calculation worksheet. In addition, we compared the calculated interval from the calculation worksheet to the Installation Interval report and noted no differences.

4B(1) We obtained and inspected the queries which were executed by the BOC and which were used by the BOC to generate the data required for the Percent (%) Commitments Met report. We then obtained the query output file and compared the Percent (%) Commitments Met per ACNA and order volumes from this file to the Percent (%) Commitments Met per ACNA and order volume on the calculation worksheet for the Percent (%) Commitments Met report. We noted no differences.

4B(2) In addition, for the Section 272 affiliates, we recomputed the Commitment. We compared the Percent (%) Commitments Met for the Section 272 affiliate reflected on the Installation Interval report **\*\*proprietary\*\*** to our recomputed Commitment **\*\*proprietary\*\*** and noted no difference.

4B(3) We also performed the following procedure with respect to order volume and Percent (%) Commitments Met per ACNA from the query output file and the Percent (%) Commitments Met report as follows:

- We compared the Percent (%) Commitments Met per ACNA and order volumes from this file to the Percent (%) Commitments Met per ACNA and order volume on the calculation worksheet used to prepare the Percent (%) Commitments Met report. We noted no exceptions.
- We inspected the formulas for calculating the Percent (%) Commitments Met in the calculation cells in the August 2000 calculation worksheet used to prepare the report. In addition, we compared the calculated Percent (%) from the calculation worksheet to the Percent (%) Commitments Met report and noted no differences.



4C(1) We obtained and inspected the queries which were executed by the BOC and which were used by the BOC to generate the data required for the Average Repairs Intervals report. We then obtained the query output file and compared the interval per ACNA and order volumes from this file to the interval per ACNA and order volume on the calculation worksheet for the Average Repair Interval report. We noted no differences.

4C(2) In addition, for the Section 272 affiliate, we recomputed the Average Repair Interval. We compared the Average Repair Interval for the Section 272 affiliate reflected on the Average Repair Interval report **\*\*proprietary\*\*** to the our recomputed Average Repair Interval **\*\*proprietary\*\*** and noted no difference.

4C(3) We also performed the following procedures with respect to the order volume and interval per ACNA from the query output file and the Average Repair Interval report:

- We compared the interval per ACNA and order volumes from this file to the interval per ACNA and order volume on the calculation worksheet for the Average Repair Interval report and noted no differences.
- We inspected the formulas for calculating the Average Repair Interval in the calculation cells in the August 2000 calculation worksheet used to prepare the report. In addition, we compared the calculated interval from the calculation worksheet to the Average Repair Interval report. We noted that one ACNA for a non-Section 272 affiliate and one ACNA used for internal BOC orders was improperly included in the non-affiliate measure.

4D(1) We performed the following procedures with respect to the trouble ticket volume per ACNA from the query output file and the Total Troubles Report:

- We compared the Total Troubles per ACNA from this file to the Total Troubles per ACNA on the calculation worksheet for the Total Troubles report and noted no difference.
- We inspected the formulas for calculating the Total Troubles in the calculation cells in the August 2000 calculation worksheet. In addition, we compared the Total Troubles from the calculation worksheet to the Total Troubles report. We noted that one ACNA for a non-Section 272 affiliate and one ACNA used for internal BOC orders was improperly included in the non-affiliate measure. This accounted for the difference of **\*\*proprietary\*\*** noted below.

**Table No. 15**

Measure	Casual Customer & Bell Atlantic Mobile Included (Verizon)	Casual Customer & Bell Atlantic Mobile Excluded (PwC)	Difference
Total Trouble Reports	<b>**proprietary**</b>	<b>**proprietary**</b>	<b>**proprietary**</b>

4E (1) We obtained and inspected the query which was executed by the BOC and which was used by the BOC to generate the data required for the Firm Order Confirmation (“FOC”) report. Additionally, we discussed the Microsoft Access macros used by the BOC to process the data received from the query. We then obtained the query/macro output file and selected a random sample of 92 confirmation records for non-affiliated carriers. For the selection, we calculated the confirmation interval within each of the three buckets (the “Calculated Percentages”). These buckets were FOC ≤ 1 day, FOC ≤ 3 days, and FOC > 3 days. We compared the percentages for the total population reflected on the FOC report to the Calculated percentages and noted the differences.

Table No. 16

FOCMeasure	Verizon Reported	Calculated %'s	Difference
<=1	<b>**proprietary**</b>	<b>**proprietary**</b>	-06.62%
<=3	<b>**proprietary**</b>	<b>**proprietary**</b>	-04.76%
>3	<b>**proprietary**</b>	<b>**proprietary**</b>	04.76%

4E(2) In addition, for the Section 272 affiliate, we computed the Calculated Percentages. We compared the Percentages for the Section 272 affiliate reflected on the FOC report to the Calculated Percentages and noted no differences. 4E(3) We also performed the following procedures with respect to the FOC order volumes, per bucket, per ACNA from the FOC ACNA summary file and the FOC report:

- We compared the FOC order volumes, per bucket, per ACNA from this file to the order volumes, per bucket, per ACNA on the calculation worksheet for the FOC report. We noted no differences.
- We inspected the formulas for calculating the FOC in the calculation cells in the August 2000 calculation worksheet to ensure proper row/column inclusion. In addition, we compared the calculated FOC Percentages from the calculation worksheet to the FOC report. We noted no differences.

4F(1) We recomputed the PIC Change Interval from the output queries. We compared the PIC Change Interval for the Section 272 affiliate and five reported non-affiliates reflected on the PIC Change Interval report to our recomputed Interval and noted no difference. We noted one of the Section 272 affiliates' ACNAs was not included in the report. Management indicated that the ACNA for the affiliate (BAX6963) was not included, as this ACNA does not send a mechanized feed for PIC changes.

5. We inquired of management as to whether the Section 272 affiliates provide exchange telephone service. Management indicated the only local exchange service provided by the Section 272 affiliates is IntraLATA toll service and that PIC changes for IntraLATA toll providers are included in the reports obtained in Objective VIII, Procedure 3.
6. In accordance with the General Standards Procedures, as the reports required for Procedure 3 were available, Procedure 6 is not applicable. See Procedure 3 above for work performed.
7. We inquired of management how and when the BOCs make available to unaffiliated entities information regarding service intervals in providing any service to end user customers of itself, of the affiliates, and of unaffiliated entities. Management indicated schedules of service intervals for obtaining switched and special access services from Verizon BOCs are available to carriers through tariff. These schedules apply to the services offered in the local operating companies' tariffs (Bell Atlantic FCC Nos. 1 and 11 and state tariffs). These sources specify the expected response times for the local operating company to fulfill the specified service request. These schedules, as amended from time to time, will apply equally to service for the Long Distance Affiliates as they do for all other carriers.

The Company's procedures address requests from individual entities for BOC service interval data on a case-by-case basis. Information requests of this nature enter the business through various channels (e.g. account managers, Carrier Account Team Centers (CATCs), legal, or senior management). Once the request is identified regulatory is notified. Regulatory, in turn, contacts the business owners to aggregate information pertinent to the request using the

Company business rules identified for Section 272(e)(1) reporting. This response, limited to data consistent with the Company's current obligations under regulation, is provided in a timely manner to the requesting party. The Company does not routinely provide data about unaffiliated entities to requesting parties.

## **Objective IX: The BOC Shall Not Discriminate Against Any Entity in the Provision of Exchange Access Facilities and Services**

1. See Objective V/VI, Procedure 1 for work performed for this procedure. Management indicated that three complaints applicable to Objective IX were filed. The one complaint resolved for Objective IX involved a complaint filed by Teleplex Coin Communications ("TCC"). On April 20, 2000, TCC filed a formal complaint with the NYPSC regarding Verizon's refusal to provide public access line service out of certain manhole locations in New York City. In December 2000, the parties agreed to a compromise solution whereby Verizon would provide additional engineering and facilities to the desired manhole locations and TCC would share in the cost to do so.
2. We requested from management a list of exchange access services and facilities with their related rates offered by the BOCs to the Section 272 affiliates. Management indicated that a list of exchange access services and facilities offered with their related rates, terms and conditions does not exist. Rather, the BOCs provide exchange services and facilities on an as requested basis. Accordingly, we prepared a listing of the contracts for exchange access services and facilities offered by the BOC to the Section 272 affiliates from the contract summaries posted on the Section 272(b)(5) websites (the "Detailed Access Listing"):
  - [www.callbell.com/regreqs2/index.cfm](http://www.callbell.com/regreqs2/index.cfm) for BACI,
  - [www.callbell.com/regreqs2/index.htm](http://www.callbell.com/regreqs2/index.htm) for BABS; and
  - [www.baglobal.com/regrequirements.html](http://www.baglobal.com/regrequirements.html) for BAGNI

The contract summaries posted on the Section 272 (b)(5) websites identify the services provided under tariff and the jurisdiction where those tariffs are filed. Management reviewed the Detailed Access Listing and indicated that it was a complete listing of exchange access services and facilities offered by the BOC to the Section 272 affiliates.

We then inquired as to the existence of any brochures, advertisements of any kind, bill inserts, correspondence, or any other media used to inform unaffiliated carriers of the availability of the services provided to the Section 272 affiliates. Management indicated the media used to inform unaffiliated carriers of the availability of exchange access services and facilities are the Section 272(b)(5) websites referred to above. Therefore, we obtained the underlying agreements for exchange access services and facilities between the BOCs and the Section 272 affiliates. We then compared the rates, terms and conditions offered by the BOCs to the Section 272 affiliates, per these underlying agreements, with the rates, terms and conditions offered unaffiliated carriers per the Section 272 affiliate contract summaries posted on the Section 272(b)(5) websites. Management indicated that the rates charged for exchange access services are tariffed rates and are the same for Section 272 affiliates and unaffiliated entities. We noted that 108 contract summaries (which were reported in the results of Objective V/VI, Procedure 6) for exchange access services and facilities posted on the website contained discrepancies as compared to the written agreements.

The discrepancies between the web postings and the written agreements fall into one or more of the following categories:

- differences between the effective date on the web postings and the effective date on the written agreements,
- differences between the listed parties on the web postings and the listed parties on the written agreements,

- the link from original agreements' web postings to the amendments' web posting was inactive,
  - a service listed in a written agreement was not listed on the web posting,
  - discrepancies in rates or tariffs between web postings and written agreements.
3. We obtained a list of Billing Authority Numbers ("BANs") for the Section 272 affiliates. We randomly selected 100 BANs and for the selected BANs we obtained the July 2000 invoices for exchange access services and facilities rendered by the BOCs to the Section 272 affiliates. We selected a random sample of 100 billed items from 54 selected July 2000 invoices. We compared the rates charged to the Section 272 affiliates with the rates charged to unaffiliated Interexchange Carriers ("IXC") invoice for the same service and noted no differences.

We obtained terms and conditions for exchange access services and facilities offered by the BOCs to the Section 272 affiliates. We inquired of management as to existence of written terms and conditions offered to unaffiliated IXCs. Management indicated that terms and conditions for exchange access service and facilities are in accordance with the provisions of FCC and state public utility commission tariffs, and the same terms and conditions are offered by the BOCs to the Section 272 affiliates and IXCs. Management indicated that there are no written agreements for exchange access services between the BOCs and IXCs other than those tariffs.

Management indicated the Access Service Requests and Memorandums of Understanding are maintained for similar agreements between the BOCs and Section 272 affiliates in order to comply with the Section 272 (b)(5) requirement that transactions between the BOCs and Section 272 affiliates be reduced to writing and available for inspection.

4. Using the sampled invoices obtained in Procedure 3 above, we compared the amount the Section 272 affiliates were invoiced for exchange access services to the BOCs' books and records and noted no differences. We obtained the Section 272 affiliates' vouchers for the 54 selected invoices and noted the following:
- For 20 invoices, we compared the invoiced amount per invoice to the amount per the payment voucher and noted no differences,
  - For 34 invoices, we compared the amount per invoice to the amount per the payment voucher and noted differences resulting from disputed charges with respect to taxes, surcharges, late payments and outstanding credits. Detailed information concerning these 34 invoices has been provided in the table below:

**Table No. 17 \*\*proprietary\*\***

**Objective X: The BOC Shall Impute to Itself the Same Amount for Exchange Access as that Charged Unaffiliated Entities**

1. We obtained the agreements the Section 272 affiliates have with the BOCs for exchange access services. Management indicated that there are no agreements for exchange access services between the BOCs and other IXC's other than FCC and State Public Utility Commission tariffs. Management indicated that other IXC's request exchange access services via Access Service Requests that are not retained by the BOCs.
2. We inquired of management as to which LATAs the BOCs have access price flexibility for interLATA interstate and interLATA intrastate access services. Management indicated the BOCs have no access price flexibility for interLATA interstate and interLATA intrastate access services in any LATAs, except Virginia where the BOCs have access price flexibility for high speed special access.
3. The Specified Users agreed this procedure would be performed in connection with Objective IX, Procedure 3.
4. We obtained the list of interLATA services offered by the BOCs and discussed the list with the appropriate BOC employee who indicated that the list was comprehensive. We compared services appearing on the list with the interLATA services disclosed in the BOCs' Cost Allocation Manual (CAM) and noted no differences. We compared the non-regulated interLATA services listed in the BOCs' CAM with those defined as incidental in Section 271(g) of the Act and those interLATA services allowed under FCC Order and noted no differences.
5. We obtained a statement of revenue, by month, of interLATA services provided by the BOCs, from January 3, 2000 through September 30, 2000, and performed a trend analysis. For increases of more than 10% from month to month, we inquired of management and obtained explanations for such increases as noted below:

**North BOC Revenues 2000**

<b>BOC:</b> NE
<b>Service:</b> National Directory Assistance ("NDA")
<b>Trend:</b> Gross revenue increased from <b>**proprietary**</b> for the month of January 2000 to <b>**proprietary**</b> for the month of February 2000
<b>Management Explanation:</b> The Forbearance was granted by the FCC in former BA-North in late 1999 allowed advertising of NDA to begin.
<b>Trend:</b> Gross revenue increased from <b>**proprietary**</b> for the month of June 2000 to <b>**proprietary**</b> for the month of July 2000
<b>Management Explanation:</b> The increase in revenue is a result of a combination of advertising and seasonal variations, which led to increased usage during the month. Verizon ran radio, television and print advertising, and used bill inserts in several states during June and July to stimulate use of the NDA service. The advertising campaign resulted in additional usage of the service by customers.

**South BOC Revenues 2000**

<b>BOC: VA</b>
<b>Service:</b> Gateway
<b>Trend:</b> Revenue increased from <b>**proprietary**</b> for the month of May 2000 to <b>**proprietary**</b> for the month of June 2000
<b>BOC: WV</b>
<b>Service:</b> Gateway
<b>Trend:</b> Revenue increased from <b>**proprietary**</b> for the month of June 2000 to <b>**proprietary**</b> for the month of July 2000
<b>Management Explanation:</b> The variance occurred as the usual company practice is to provision a customer's service as quickly as possible after the order is confirmed and finalize the billing at a later date if necessary. This can result in a customer's service being rendered in one month, but billing not rendered until the following month. The first bill rendered covers the current period plus any unbilled prior month charges plus any nonrecurring service order or setup charges. Once the proper billing is established, each monthly bill reflects the current month charges plus any past due balance from the previous month. The VA Gateway revenue increase above is an example of this process. The customer ordered and received service in May 2000. The first bill was rendered in June 2000 and covered the standard June 2000 charges plus charges for the portion of May 2000 that the service was actually provided to the customer. The July 2000 and following bills were for the normal monthly amount.
<b>BOC: NJ</b>
<b>Service:</b> Gateway
<b>Trend:</b> Revenue increased from <b>**proprietary**</b> for the months of January, April and July 2000 to <b>**proprietary**</b> for the months of February, May, and August 2000
<b>Management Explanation:</b> The variance is the result of a cyclical entry to record revenue derived from minimum service fees that are recognized on a quarterly basis.
<b>BOC: Several</b>
<b>Service:</b> NDA
<b>Trend:</b> Revenue increased in: DC from <b>**proprietary**</b> for the month of February 2000 to <b>**proprietary**</b> for the month of March 2000 MD from <b>**proprietary**</b> for the month of February 2000 to <b>**proprietary**</b> for the month of March 2000 VA from <b>**proprietary**</b> for the month of February 2000 to <b>**proprietary**</b> for the month of March 2000 WVA from <b>**proprietary**</b> for the month of February 2000 to <b>**proprietary**</b> for the month of March 2000 PA from <b>**proprietary**</b> for the month of February 2000 to <b>**proprietary**</b> for the month of March 2000 NJ from <b>**proprietary**</b> for the month of February 2000 to <b>**proprietary**</b> for the month of March 2000
<b>Management Explanation:</b> The Forbearance was granted by the FCC in late 1999 allowing advertising of NDA to begin. The advertising campaign ran on commercial TV beginning in March 2000, resulting in increased awareness and usage of the new service.

<b>BOC:</b> Several
<b>Service:</b> NDA
<b>Trend:</b> Revenue increased in: DC from <b>**proprietary**</b> for the month of May 2000 to <b>**proprietary**</b> for the month of June 2000 MD from <b>**proprietary**</b> for the month of May 2000 to <b>**proprietary**</b> for the month of June 2000 VA from <b>**proprietary**</b> for the month of May 2000 to <b>**proprietary**</b> for the month of June 2000 WVA from <b>**proprietary**</b> for the month of May 2000 to <b>**proprietary**</b> for the month of June 2000 PA from <b>**proprietary**</b> for the month of May 2000 to <b>**proprietary**</b> for the month of June 2000 NJ from <b>**proprietary**</b> for the month of May 2000 to <b>**proprietary**</b> for the month of June 2000
<b>Management Explanation:</b> The increase in revenue is a result of a combination of advertising and seasonal variations, which led to increased usage during the month.  Verizon's advertising campaign was resumed in June on commercial TV in DC, MD, PA and NJ and was also influenced by advertising in NY. This resulted in additional usage of the service by customers.

<b>BOC:</b> DE
<b>Service:</b> NDA
<b>Trend:</b> Revenue increased from <b>**proprietary**</b> for the month of June 00 to <b>**proprietary**</b> for the month of July 00
<b>Management Explanation:</b> In May, there was an accrual booked to correct a billing error. The accrual should have been recorded in Pennsylvania's books of record but, in effect, was recorded in Delaware's books of record. The reversal in June had a significant impact as a result of the reversal of the prior month billing error accrual, coupled with the current month calendarization.

6. We selected the three interLATA services offered by the BOCs, and not through an affiliate, from the list of services obtained in Procedure 4 above. These services were Common Channel Signaling Access Service Gateway Access Service, E911 InterLATA Information Service and NDA. We obtained the analyses prepared by management used to calculate the amount the BOCs have imputed (charged) to themselves for access, switching and transport. We obtained usage details and tariff rates for each item in the analyses. Management indicated that no incidental interLATA services offered by the BOC were purchased by unaffiliated interexchange carriers. We compared the tariff rates used in the calculations with the corresponding publicly filed tariff rates and noted no differences. We compared the amounts imputed by the BOCs to the general ledger postings for the BOCs and noted that the entry was a debit to nonregulated operating revenues (decrease) and a credit to regulated revenues (increase). For NDA database dip charges for the month of November, **\*\*proprietary\*\***, we noted the entries were improperly recorded as a credit to non-regulated operating revenues and a debit to regulated revenues. Management indicated this was a manual error which had not yet been corrected.



7. For exchange access services and local exchange services provided by the BOC to the Section 272 affiliates from January 3, 2000 through September 30, 2000, we documented the total amount the affiliates recorded and paid for these services in their books as noted below:

**Table No. 18**

<b>Exchange Access</b>			
<b>Section 272 Affiliate</b>	<b>Amount Recorded and Paid by Section 272 Affiliate</b>	<b>BOC</b>	<b>Amount of Revenue Recorded by the BOC</b>
BAGNI	<b>**proprietary**</b> <b>**proprietary**</b>	Bell Atlantic-NY Bell Atlantic-NE	<b>**proprietary**</b> <b>**proprietary**</b>
BABS	<b>**proprietary**</b>	Bell Atlantic-NY	<b>**proprietary**</b>
BACI	<b>**proprietary**</b>	Bell Atlantic-NY	<b>**proprietary**</b>

**Table No. 19**

<b>Local Exchange Services</b>			
<b>Section 272 Affiliate</b>	<b>Amount Recorded and Paid by Section 272 Affiliate</b>	<b>BOC</b>	<b>Amount of Revenue Recorded by the BOC</b>
BAGNI	<b>**proprietary**</b> <b>**proprietary**</b> <b>**proprietary**</b>	Bell Atlantic-NE Bell Atlantic-MD Bell Atlantic-NY	<b>**proprietary**</b> <b>**proprietary**</b> <b>**proprietary**</b>
BABS	<b>**proprietary**</b>	Bell Atlantic-NY	<b>**proprietary**</b>
BACI	<b>**proprietary**</b> <b>**proprietary**</b>	Bell Atlantic-NY Bell Atlantic-VA	<b>**proprietary**</b> <b>**proprietary**</b>

Local exchange reconciling items included invoices that had not yet been paid and disputed charges. Exchange access reconciling items included late payment charges, taxes/surcharges, disputed charges and overpayments. Management indicated that the Section 272 affiliates do not purchase unbundled network elements from the BOCs.

**Objective XI: The BOC May Not Discriminate Against Any Entity in the Provision of InterLATA or IntraLATA Facilities and Services**

1. See Objective V/VI, Procedure 1 for work performed for this procedure. Management indicated that there were no complaints filed applicable to Objective XI.
2. We requested from management a list of interLATA network services and facilities with their related rates offered to the Section 272 affiliates. Management indicated that a list of interLATA network services and facilities offered by the BOCs to the Section 272 affiliates with their related rates, terms and conditions does not exist. Accordingly, we prepared a listing of the contracts for interLATA network services and facilities from the contract summaries posted on the Section 272(b)(5) websites (the "InterLATA Listing"):
  - [www.callbell.com/regreqs2/index.cfm](http://www.callbell.com/regreqs2/index.cfm) for BACI,
  - [www.callbell.com/regreqs2/index.htm](http://www.callbell.com/regreqs2/index.htm) for BABS; and
  - [www.baglobal.com/regrequirements.html](http://www.baglobal.com/regrequirements.html) for BAGNI

Management reviewed the InterLATA Listing and indicated that the InterLATA Listing was a complete listing of contracts relating to interLATA network services and facilities offered to the Section 272 affiliates.

We then inquired as to the existence of any brochures, advertisements of any kind, bill inserts, correspondence, or any other media used to inform unaffiliated carriers of the availability of the services provided to the Section 272 affiliates. Management indicated the media used to inform unaffiliated carriers of the availability of interLATA network services and facilities are the Section 272(b)(5) websites referred to above. Therefore, we obtained the underlying agreement for the one interLATA network service, Wholesale National Directory Assistance (a nontariffed service), between the BOCs and the Section 272 affiliates with its related rates, terms and conditions. We then compared the rates, terms and conditions offered by the BOCs to the Section 272 affiliates, per this underlying agreement, with the rates, terms and conditions offered unaffiliated carriers per the contract summaries posted on the Section 272(b)(5) websites and noted no differences.

3. Management indicated that Wholesale National Directory Assistance service rendered by the BOCs to BAGNI was the only interLATA network service and facility rendered by the BOCs to a Section 272 affiliate. We obtained the invoice for Wholesale National Directory Assistance service for the month of July 2000 rendered by the BOCs to BAGNI. Management indicated that no IXCs have requested Wholesale National Directory Assistance service from the BOCs throughout the engagement period.
4. Using the invoice obtained in Procedure 3 above, we compared the amount invoiced to BAGNI for Wholesale National Directory Assistance service to the amount recorded in the BOCs' books and records and did not note any differences. We traced the amount invoiced to BAGNI for Wholesale National Directory Assistance service to the books and records of BAGNI. We obtained the payment voucher and compared the amount invoiced to the voucher and noted no differences.